



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0433	Title:	Revise ages for compulsory school enrollment
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Primary Sponsor:	Malek, Sue	Status:	As Introduced
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$0	\$705,000	\$705,000	\$705,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>(\$705,000)</u>	<u>(\$705,000)</u>	<u>(\$705,000)</u>

Description of fiscal impact: HB 433 expands the ages of compulsory enrollment and attendance from 7 and 16 years to 6 and 17 years. The proposal is projected to increase public school enrollment by 82 elementary ANB and 113 high school ANB beginning in FY 2011 at a cost of \$705,000.

FISCAL ANALYSIS

Assumptions:

- Under current law, parents must provide for the instruction of their child from 7 years of age or older until the child reaches 16 years old or 8th grade, whichever is later. HB 433 proposes to change the ages of compulsory enrollment and attendance to 6 years of age for beginning instruction. Under the proposal, a child must continue in school until the later of the child's 17th birthday or completion of high school graduation requirements.
- The present law inflation applied to the per-ANB entitlements is 3% each year in FY 2010, FY 2011, FY 2012 and FY 2013. The per-ANB entitlements will be set as follows:

<u>Entitlement</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Elementary Per-ANB	\$4,716	\$4,857	\$5,003	\$5,003	\$5,003
High School Per-ANB	\$6,037	\$6,218	\$6,405	\$6,405	\$6,405

3. For the 2008-2009 school year, 79 students enrolled in Montana public schools for the first time at the age of 7 and had not transferred from a private, home, or out-of-state school. If these students begin public school enrollment at the age of 6, they will generate new average number belonging (ANB) funding. These 79 students will generate 82 ANB in FY 2011; these ANB will be funded at the elementary per-ANB rate.

<u>ANB</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
82	\$410,246	\$410,246	\$410,246

4. In 2007-2008, 437 students dropped out of school at the age of 16. For the purpose of this fiscal note, it is assumed that one-quarter of these students would stay in school until age 17 if the age of compulsory enrollment is increased to 17. The retention of these students in public schools will increase ANB counts starting in FY 2011 by 113 ANB and funded at the high school per-ANB rate.

<u>ANB</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
113	\$723,765	\$723,765	\$723,765

5. The state share of the funding for 82 elementary ANB and 113 high school ANB is estimated to be about 62% or \$705,000 per year.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Local Assistance (DSA, GTB)	\$0	\$705,000	\$705,000	\$705,000
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$705,000	\$705,000	\$705,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	(\$705,000)	(\$705,000)	(\$705,000)

Effect on County or Other Local Revenues or Expenditures:

1. Local district property taxes would increase by approximately \$425,000 annually to support the ANB increases that are projected to result from HB 433.

Sponsor's Initials

Date

Budget Director's Initials

Date